



**CAPITAL STRUCTURE (DEBT POLICY) ON  
COMPANY PERFORMANCE: STUDY ON SME  
COMPANY IN MALAYSIA**

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**BACHELOR OF BUSINESS ADMINISTRATION  
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FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
SEGAMAT, JOHOR.**

**SEPTEMBER 2016**

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**Submitted in Partial Fulfillment  
of the Requirement for the  
Bachelor of Business Administration (Hons) Finance**

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UNIVERSITI TEKNOLOGI MARA  
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**DECLARATION OF ORIGINAL WORK**

**NURUL NADIA BINTI MOHD APANDI**

**2013316635**

Hereby, declare that,

- ✓ This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- ✓ This project paper is the result of my independent work and investigation, except where otherwise stated.
- ✓ All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **LETTER OF SUBMISSION**

December 2016

Madam Rohanizan Md Lazan  
Faculty of Business Management  
Universiti Teknologi MARA  
85009 SEGAMAT  
JOHOR DARUL TAKZIM

Dear Madam,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled “**CAPITAL STRUCTURE (DEBT POLICY) ON COMPANY PERFORMANCE: STUDY ON SME COMPANY IN MALAYSIA**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

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NURUL NADIA BINTI MOHD APANDI  
2013316635  
Bachelor of Business Administration (Hons) Finance

## ABSTRACT

Determining right financial policies in order to ensure the sustainability of company is a part of vital aspects in company decision. Implementing debt policy or debt structure is considered as crucial factor to the company's value. This research is conduct to study about relationship of debt structure and company performance of Small Medium Enterprise in Malaysia. Using panel data of a company in Malaysia and adopting the regression model the study will run on this topic. In this research, company performance indicators are considered as Return on Assets (ROA), and Debt Ratios (Current Debt, Non-Current Debt, Total Debt and Trade Credit Ratio).